

[title] Students: Don't pay too much tax (400 words)

Text starts

Calling all students: have you got a Christmas holiday job? If so, make sure you hang on to your hard-earned cash and don't pay too much tax this holiday season.

Holiday jobs

If you have a holiday job, you won't have to pay tax if your total earnings for the tax year are less than £6,475. This figure is known as the "personal allowance" and everybody's allowed to earn this much before they start paying tax.

To make sure you don't pay tax, however, you need to fill in a form P38(S). This confirms to your employer – and the tax authorities – that you are a student and only working during the holidays. You can download the form from the HM Revenue & Customs (HMRC) website at www.hmrc.gov.uk/forms/p38s.pdf.

If you have a holiday job and you don't fill in a form P38(S) to confirm you're a student, you may have to pay tax, but if you do, you'll be able to claim it back later.

Term-time jobs

If you work during term time, your wages will be taxed in the same way as everybody else in the UK. But if your weekly wages are less than £125 a week and you don't earn more than £6,475 in the current tax year (from 6 April 2010 to 5 April 2011), you are not liable to tax as everyone can earn up to the personal allowance before they start paying tax.

If you work during term time and earn more than £125 a week, you have to pay tax and National Insurance Contributions, which everybody in the UK has to pay. But if you stop working and you earn less than the £6,475 personal allowance for the tax year, you can claim a tax refund.

Claiming tax back

To claim a tax refund, you'll need to fill in a form P50, which you can download at www.hmrc.gov.uk/pdfs/p50.pdf. Send your completed form to HMRC, Government Buildings, Ty-glas, Llanishen, Cardiff, CF14 5YA.

If you need help filling in the form, contact your local tax office, which you can find at www.hmrc.gov.uk/index.htm – select “Contact us” at the top, then “Find your Tax Office” on the bottom left.

Not sure if you’ve paid too much tax?

If you want to check whether you’ve paid too much tax and are due a refund, you can use the student tax checker at www.hmrc.gov.uk/calcs/stc.htm.

Text ends